

THE HON'BLE SRI JUSTICE J. SREENIVAS RAO

CRIMINAL PETITION No. 5301 of 2025

ORDER:

This Criminal Petition is filed under Section 482 of Bharatiya Nagarik Suraksha Sanhitha, 2023 (for short 'BNSS') seeking anticipatory bail to the petitioners/accused Nos.2, 3 and 7 in Crime No.33 of 2025 dated 31.01.2025 on the file of the Station House Officer, Police Station, Mulugu, Siddipet for the offences punishable under Sections 420, 409, 464, 466, 471, 120-B r/w. Section 34 of IPC.

2. The case of the prosecution is that on 31.01.2025 at about 10.00 hours, the *de facto* complainant lodged a complaint stating that The Central Government sanctioned Rs.136 crores for establishment of "Sri Konda Laxman Telangana State Horticultural University" in the year 2014-17 and in that Rs.121.75 crores for development works and remaining for administrative purpose. So for this work purpose they appointed Sri Lt. Col. P.Ram Prasad Raju as Estate Officer dated 09.06.2016. Soon after his appointment he sanctioned the estimates without following proper procedures and approval of University's Tender and Technical Advisory Committee (TTAC). On 03.09.2016, The Estate Officer proceeded to conclude the

agreement with the tenderer i.e., M/s Standard Infratech India Private Limited, by altering the tender conditions in collusion with the Managing Director of its leads to deviation of original tender discovering the irregularities and misconduct of Sri Lt. Col. P. Ram Prasad Raju, they appointed Sri P. Narasimha Rao, the Superintending Engineer of Telangana State Housing Corporation Limited as new Estate Officer dated 14.10.2016. He continued to work with the contractor, executing the project without following proper procedures and not corrected the discrepancies made by his predecessor. Further he proposed for construction of Additional A-block to the main complex, the ITAC has approved it to entrust the work with same contractor and same discount. However, the Estate Officer failed to technically sanction the work or finalize the agreement. Instead, the work proceeded without a formal agreement. The agreement was concluded on 05.12.2017, using the same conditions as the main building agreement, reflecting the collusion between the Estate Officer and the contractor. Further to this the contractor filed the Arbitration Cases against the Horticultural University, despite having already received the total payment of Rs.79.85 crores, which includes price escalation amount of Rs.5.79 crores based on the concluded agreement conditions. This alteration of the agreement conditions not only violated the original tender

conditions but also resulted in significant financial loss to the University and led to the Arbitration Cases. M/s. Standard Infratech India Private Limited is owned by Sri M. Sesha Reddy and his immediate family members, colluded with Sri Lt. Col.P. Ram Prasad Raju and Sri P. Narasimha Rao, Estate Officer resulting in significant financial and legal repercussions for the University. Therefore, in the light of the above-mentioned facts and circumstances, the actions of M/s Standard Infratech Private Limited and its owners, Sri Mallavarapu Sesha Reddy, Sri Mallavarapu Srujan Reddy and unknown persons along with former Estate Offices SriLtd. Col. P. Ram Prasad Raju and Sri P. Narasimha Rao, have caused significant losses for their university. Also contractor played fraud by filing the Arbitration Claims basis the altered clauses of the agreement and attempts to seek an unjust enrichment and misuse of public resources. Basing on the said complaint, the present crime was registered for the above said offences.

3. Heard Mr. V. Ravi Kiran Rao, learned Senior Counsel representing Mr. V. Rohith, learned counsel for the petitioners/accused Nos.2, 3 and 7 and Mr.Syed Yasar Mamoon, learned Additional Public Prosecutor for respondent -State.

4. Learned senior counsel for the petitioners submits that Sri Konda Laxman Telangana Horticultural University herein

after referred as university invited tenders through its Estate Officer for construction of Administrative Building, Academic Building, Girls Hostel, Boys Hostel and Guest House at Mulugu, Siddipet District vide Bid Notice No.1/HU/EO/16-17 dated 21.07.2016. In the said tender process the petitioners company namely M/s. Standard Infratech India Private Limited participated and was a successful bidder. Learned Senior Counsel further submits that petitioner No.1 is Managing Director of M/s. Standard Infratech Private Limited, Petitioner No.2 is Whole Time Director of M/s. Infratech Private Limited and Petitioner No.3 is the Director of M/s. Infratech Private Limited. The University awarded the work and executed one agreement on 03.09.2016 and another agreement on 05.12.2017. According to the learned Senior Counsel, the petitioners completed the work. However, the disputes in respect of the payments of the amounts arise between the petitioners company with university basing on the Arbitration Clause, the company invoked the Arbitration Clause to resolve the disputes. When the University not accepted for appointment of Arbitrator, the said petitioners company approached this Court and filed Arbitration Applications Nos.230 and 231 of 2023 under Section 11 of the Arbitration and Conciliation Act, 1996 for appointment of Arbitrator and

the said applications were allowed by this Court on 09.07.2024 and the university filed review petitions and the same were dismissed. Pursuant to the same, the petitioners company filed claim statement and the university also filed defence statement before the Arbitral Tribunal. The *de facto* complainant prepared the complaint on 16.01.2025. However, the same was filed before the P.S., Mulugu on 31.01.2025.

5. Learned Senior Counsel further submits that the petitioners have not committed the offences even ingredients of Sections 420, 409, 464, 466, 471, 120-B r/w Section 34 of IPC does not attract against the petitioners. He also submitted that except offence under Section 409, all the other offences are punishable for imprisonment below seven years. He further submitted that there are no criminal antecedents against the petitioners-accused Nos.2, 3 and 7 and they are ready and willing to cooperate with the investigation and also abide by the conditions that may be imposed by this Court.

6. *Per contra*, learned Additional Public Prosecutor submitted that petitioners have committed grave offence and the investigation is under progress and if the petitioners/accused Nos.2, 3 and 7 are granted anticipatory bail at this stage, they

may tamper the evidence and may threaten the witnesses, and hence, prayed to dismiss the petition.

7. Having considered the rival submissions made by the respective parties and after perusal of the material available on record, it reveals that the petitioners Company, namely M/s.Standard Infratech India Private Limited, declared as successful bidder in the tender issued by the *de facto* complainant University dated 21.07.2016. Accordingly, the University had executed two agreements on 03.09.2016 and 05.12.2016 for construction of Administrative Building, Academic Building, Girls Hostel, Boys Hostel and Guest House at Mulugu, Siddipet District and for construction of Administrative Building (Block-A) at Sri Konda Laxman Telangana Horticultural University, Mulugu, Siddipet District, respectively. Even according to the learned Senior Counsel for the petitioners, the petitioners Company had executed the work within the time stipulated and the University has not paid the entire amounts, as such, disputes arose between the petitioners Company and the University. The record further reveals that as per the terms and conditions of the agreement, the petitioners Company invoked the arbitration clause and initiated the proceedings exercising the powers conferred under the provisions of the Arbitration and

Conciliation Act, 1996, and filed Arbitration Application Nos.230, 231 and 232 of 2023 and the said applications were allowed on 09.07.2024 appointing the Arbitrator. According to the learned Senior Counsel for the petitioners, the University filed review petitions in the said arbitration applications and the same were dismissed. The record further reveals that the petitioners Company filed claim statements and the University also filed defence statements before the Arbitral Tribunal and the same are pending. Even according to the learned Additional Public Prosecutor, the petitioners are not having any criminal antecedents. Taking into consideration the facts and circumstances of the case, this Court is inclined to grant anticipatory bail to petitioner Nos.1 and 3/accused Nos.2 and 7 with the following conditions:

- (i) The petitioners/accused Nos.2, 3 and 7 are directed to surrender before the S.H.O., Mulugu, Siddipet on or before 30.04.2025 and on such surrender, they shall be enlarged on bail on each of them executing a personal bond for a sum of Rs.50,000/- (Rupees Thirty Thousand only), each with two sureties for a like sum each to his satisfaction.
- (ii) On such release, petitioner Nos.1 and 3/accused Nos.2 and 7 shall appear before the S.H.O., Mulugu, Siddipet on every Monday at 11-00 a.m. for a period of eight (8) weeks or till filing of the charge sheet, whichever is earlier.

- (iii) The petitioners/accused Nos.2, 3 and 7 shall not interfere with the investigation or influence the witnesses.
- (iv) The petitioners/accused Nos.2, 3 and 7 shall abide by the conditions stipulated under Section 482(2) of BNSS and shall cooperate with the Investigating Officer in the investigation.

7. Accordingly, the Criminal Petition is allowed.

Miscellaneous applications, pending if any, shall stand closed.

J. SREENIVAS RAO, J

Date: 23.04.2025

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